

107TH CONGRESS  
1ST SESSION

# S. 1541

To provide for a program of temporary enhanced unemployment benefits.

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IN THE SENATE OF THE UNITED STATES

OCTOBER 11, 2001

Ms. COLLINS (for herself, Ms. LANDRIEU, and Mr. SMITH of Oregon) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To provide for a program of temporary enhanced  
unemployment benefits.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This title may be cited as the “Temporary Emer-  
5       gency Unemployment Compensation Act of 2001”.

6       **SEC. 2. FEDERAL-STATE AGREEMENTS.**

7       (a) IN GENERAL.—Any State which desires to do so  
8       may enter into and participate in an agreement under this  
9       title with the Secretary of Labor (in this title referred to  
10      as the “Secretary”). Any State which is a party to an

1 agreement under this title may, upon providing 30 days  
2 written notice to the Secretary, terminate such agreement.

3 (b) PROVISIONS OF AGREEMENT.—Any agreement  
4 under subsection (a) shall provide that the State agency  
5 of the State will make payments of temporary emergency  
6 unemployment compensation to individuals who—

7 (1) have exhausted all rights to regular com-  
8 pensation under the State law;

9 (2) have no rights to compensation (including  
10 both regular compensation and extended compensa-  
11 tion) with respect to a week under such law or any  
12 other State unemployment compensation law or to  
13 compensation under any other Federal law (and are  
14 not paid or entitled to be paid any additional com-  
15 pensation under any State or Federal law); and

16 (3) are not receiving compensation with respect  
17 to such week under the unemployment compensation  
18 law of Canada.

19 (c) EXHAUSTION OF BENEFITS.—For purposes of  
20 subsection (b)(1), an individual shall be deemed to have  
21 exhausted such individual's rights to regular compensation  
22 under a State law when—

23 (1) no payments of regular compensation can  
24 be made under such law because such individual has  
25 received all regular compensation available to such

1 individual based on employment or wages during  
2 such individual's base period; or

3 (2) such individual's rights to such compensa-  
4 tion have been terminated by reason of the expira-  
5 tion of the benefit year with respect to which such  
6 rights existed.

7 (d) WEEKLY BENEFIT AMOUNT.—For purposes of  
8 any agreement under this title—

9 (1) the amount of temporary emergency unem-  
10 ployment compensation which shall be payable to  
11 any individual for any week of total unemployment  
12 shall be equal to the amount of the regular com-  
13 pensation (including dependents' allowances) payable  
14 to such individual during such individual's benefit  
15 year under the State law for a week of total unem-  
16 ployment;

17 (2) the terms and conditions of the State law  
18 which apply to claims for regular compensation and  
19 to the payment thereof shall apply to claims for tem-  
20 porary emergency unemployment compensation and  
21 the payment thereof, except where inconsistent with  
22 the provisions of this title or with the regulations or  
23 operating instructions of the Secretary promulgated  
24 to carry out this title; and

1           (3) the maximum amount of temporary emer-  
 2           gency unemployment compensation payable to any  
 3           individual for whom a temporary emergency unem-  
 4           ployment compensation account is established under  
 5           section 3 shall not exceed the amount established in  
 6           such account for such individual.

7           (e) ELECTION BY STATES.—Notwithstanding any  
 8           other provision of Federal law (and if State law permits),  
 9           the Governor of a State is authorized and may elect to  
 10          trigger off an extended compensation period in order to  
 11          provide payment of temporary emergency unemployment  
 12          compensation to individuals who have exhausted their  
 13          rights to regular compensation under State law.

14   **SEC. 3. TEMPORARY EMERGENCY UNEMPLOYMENT COM-**  
 15                   **PENSATION ACCOUNT.**

16          (a) IN GENERAL.—Any agreement under this title  
 17          shall provide that the State will establish, for each eligible  
 18          individual who files an application for temporary emer-  
 19          gency unemployment compensation, a temporary emer-  
 20          gency unemployment compensation account with respect  
 21          to such individual's benefit year.

22          (b) AMOUNT IN ACCOUNT.—

23                (1) IN GENERAL.—The amount established in  
 24          an account under subsection (a) shall be equal to 13

1 times the individual's average weekly benefit amount  
 2 for the benefit year.

3 (2) REDUCTION FOR EXTENDED BENEFITS.—

4 The amount in an account under paragraph (1)  
 5 shall be reduced (but not below zero) by the aggregate  
 6 amount of extended compensation (if any) received  
 7 by such individual relating to the same benefit  
 8 year under the Federal-State Extended Unemployment  
 9 Compensation Act of 1970 (26 U.S.C.  
 10 3304 note).

11 (3) WEEKLY BENEFIT AMOUNT.—For purposes  
 12 of this subsection, an individual's weekly benefit  
 13 amount for any week is the amount of regular compensation  
 14 (including dependents' allowances) under  
 15 the State law payable to such individual for such  
 16 week for total unemployment.

17 **SEC. 4. PAYMENTS TO STATES HAVING AGREEMENTS FOR**  
 18 **THE PAYMENT OF TEMPORARY EMERGENCY**  
 19 **UNEMPLOYMENT COMPENSATION.**

20 (a) GENERAL RULE.—There shall be paid to each  
 21 State that has entered into an agreement under this title  
 22 an amount equal to 100 percent of the temporary emergency  
 23 unemployment compensation paid to individuals by  
 24 the State pursuant to such agreement.

1       (b) TREATMENT OF REIMBURSABLE COMPENSA-  
2 TION.—No payment shall be made to any State under this  
3 section in respect of any compensation to the extent the  
4 State is entitled to reimbursement in respect of such com-  
5 pensation under the provisions of any Federal law other  
6 than this title or chapter 85 of title 5, United States Code.  
7 A State shall not be entitled to any reimbursement under  
8 such chapter 85 in respect of any compensation to the ex-  
9 tent the State is entitled to reimbursement under this title  
10 in respect of such compensation.

11       (c) DETERMINATION OF AMOUNT.—Sums payable to  
12 any State by reason of such State having an agreement  
13 under this title shall be payable, either in advance or by  
14 way of reimbursement (as may be determined by the Sec-  
15 retary), in such amounts as the Secretary estimates the  
16 State will be entitled to receive under this title for each  
17 calendar month, reduced or increased, as the case may be,  
18 by any amount by which the Secretary finds that the Sec-  
19 retary's estimates for any prior calendar month were  
20 greater or less than the amounts which should have been  
21 paid to the State. Such estimates may be made on the  
22 basis of such statistical, sampling, or other method as may  
23 be agreed upon by the Secretary and the State agency of  
24 the State involved.

1 **SEC. 5. FINANCING PROVISIONS.**

2 (a) IN GENERAL.—Funds in the extended unemploy-  
3 ment compensation account (as established by section  
4 905(a) of the Social Security Act (42 U.S.C. 1105(a)) of  
5 the Unemployment Trust Fund (as established by section  
6 904(a) of such Act (42 U.S.C. 1104(a)) shall be used for  
7 the making of payments to States having agreements en-  
8 tered into under this title.

9 (b) CERTIFICATION.—The Secretary shall from time  
10 to time certify to the Secretary of the Treasury for pay-  
11 ment to each State the sums payable to such State under  
12 this title. The Secretary of the Treasury, prior to audit  
13 or settlement by the General Accounting Office, shall  
14 make payments to the State in accordance with such cer-  
15 tification, by transfers from the extended unemployment  
16 compensation account (as so established) to the account  
17 of such State in the Unemployment Trust Fund (as so  
18 established).

19 (c) ASSISTANCE TO STATES.—There are appro-  
20 priated, without fiscal year limitation, such funds as may  
21 be necessary for purposes of assisting States (as provided  
22 in title III of the Social Security Act (42 U.S.C. 501 et  
23 seq.) in meeting the costs of administration of agreements  
24 under this title.

25 (d) AUTHORIZATION OF APPROPRIATIONS FOR CER-  
26 TAIN PAYMENTS.—There are appropriated from the gen-

1 eral fund of the Treasury, without fiscal year limitation,  
 2 to the extended unemployment compensation account (as  
 3 so established) of the Unemployment Trust Fund (as so  
 4 established) such sums as the Secretary estimates to be  
 5 necessary to make the payments under this section in re-  
 6 spect of—

7           (1) compensation payable under chapter 85 of  
 8           title 5, United States Code; and

9           (2) compensation payable on the basis of serv-  
 10          ices to which section 3309(a)(1) of the Internal Rev-  
 11          enue Code of 1986 applies.

12 Amounts appropriated pursuant to the preceding sentence  
 13 shall not be required to be repaid.

14 **SEC. 6. FRAUD AND OVERPAYMENTS.**

15          (a) IN GENERAL.—If an individual knowingly has  
 16 made, or caused to be made by another, a false statement  
 17 or representation of a material fact, or knowingly has  
 18 failed, or caused another to fail, to disclose a material fact,  
 19 and as a result of such false statement or representation  
 20 or of such nondisclosure such individual has received an  
 21 amount of temporary emergency unemployment com-  
 22 pensation under this title to which he was not entitled,  
 23 such individual—

24           (1) shall be ineligible for further temporary  
 25          emergency unemployment compensation under this



1 title in accordance with the provisions of the applica-  
2 ble State unemployment compensation law relating  
3 to fraud in connection with a claim for unemploy-  
4 ment compensation; and

5 (2) shall be subject to prosecution under section  
6 1001 of title 18, United States Code.

7 (b) REPAYMENT.—In the case of individuals who  
8 have received amounts of temporary emergency unemploy-  
9 ment compensation under this title to which they were not  
10 entitled, the State shall require such individuals to repay  
11 the amounts of such emergency unemployment compensa-  
12 tion to the State agency, except that the State agency may  
13 waive such repayment if it determines that—

14 (1) the payment of such emergency unemploy-  
15 ment compensation was without fault on the part of  
16 any such individual; and

17 (2) such repayment would be contrary to equity  
18 and good conscience.

19 (c) RECOVERY BY STATE AGENCY.—

20 (1) IN GENERAL.—The State agency may re-  
21 cover the amount to be repaid, or any part thereof,  
22 by deductions from any temporary emergency unem-  
23 ployment compensation payable to such individual  
24 under this title or from any unemployment com-  
25 pensation payable to such individual under any Fed-

1       eral unemployment compensation law administered  
2       by the State agency or under any other Federal law  
3       administered by the State agency which provides for  
4       the payment of any assistance or allowance with re-  
5       spect to any week of unemployment, during the 3-  
6       year period after the date such individuals received  
7       the payment of the temporary emergency unemploy-  
8       ment compensation to which they were not entitled,  
9       except that no single deduction may exceed 50 per-  
10      cent of the weekly benefit amount from which such  
11      deduction is made.

12           (2) OPPORTUNITY FOR HEARING.—No repay-  
13      ment shall be required, and no deduction shall be  
14      made, until a determination has been made, notice  
15      thereof and an opportunity for a fair hearing has  
16      been given to the individual, and the determination  
17      has become final.

18           (d) REVIEW.—Any determination by a State agency  
19      under this section shall be subject to review in the same  
20      manner and to the same extent as determinations under  
21      the State unemployment compensation law, and only in  
22      that manner and to that extent.

23   **SEC. 7. DEFINITIONS.**

24       In this title, the terms “compensation”, “regular  
25      compensation”, “extended compensation”, “additional

1 compensation”, “benefit year”, “base period”, “State”,  
2 “State agency”, “State law”, and “week” have the respec-  
3 tive meanings given such terms under section 205 of the  
4 Federal-State Extended Unemployment Compensation Act  
5 of 1970 (26 U.S.C. 3304 note).

6 **SEC. 8. APPLICABILITY.**

7 An agreement entered into under this Act shall apply  
8 to weeks of unemployment—

9 (1) beginning no earlier than the first day of  
10 the first week beginning after the date on which  
11 such agreement is entered into; and

12 (2) ending before the date that is 18 months  
13 after the date of enactment of this Act.

14 **SEC. 9. TEMPORARY REDUCTION IN INTEREST RATE APPLI-**  
15 **CABLE TO REPAYMENTS OF ADVANCES TO**  
16 **STATE UNEMPLOYMENT FUNDS.**

17 With respect to advances made to a State under sec-  
18 tion 1201 of the Social Security Act (42 U.S.C. 1321)  
19 during the period beginning on the date of enactment of  
20 this Act and ending on the date that is 18 months after  
21 such date of enactment, the rate of interest paid by a  
22 State on such an advance shall be determined under sec-  
23 tion 1202(b)(4) of the such Act (42 U.S.C. 1322(b)(4))

- 1 by substituting “5 percent” for “10 percent” in the matter
- 2 preceding subparagraph (A).

